

IRREVOCABLE OPTION AGREEMENT TO PURCHASE AND SELL REAL PROPERTY
AND ESCROW INSTRUCTIONS

by and between the

THE COUNTY OF _____
as Optionor

and the

DEPARTMENT OF CORRECTIONS AND REHABILITATION
OF THE STATE OF CALIFORNIA
as Optionee

Dated as of _____, 201__

Agency:
Project:
DGS Parcel No.:
Parcels:
County:

IRREVOCABLE OPTION AGREEMENT TO PURCHASE AND SELL REAL PROPERTY AND ESCROW INSTRUCTIONS

THIS IRREVOCABLE OPTION AGREEMENT TO PURCHASE AND SELL REAL PROPERTY AND ESCROW INSTRUCTIONS (this "Agreement") is dated as of _____, 201__ for reference purposes only. The parties to this Agreement are the County of _____, a political subdivision of the State of California, hereinafter referred to as "Optionor" or "County", and the Department of Corrections and Rehabilitation of the State of California, hereinafter referred to as "Optionee". The Optionor and the Optionee are also hereafter collectively referred to as the "Parties" or each individually as a "Party".

RECITALS

A. Under the provisions of AB 900 and California Penal Code § 6271, on or about _____, 201__, Optionor, through its Board of Supervisors, adopted Resolution ____ ("Resolution") for the purpose of, among other things, requesting that Optionee locate, construct, establish and operate a secure community reentry facility ("SCRF") on one or more of certain properties owned by Optionor, including but not limited to the Property (collectively the "Proposed SCRF Sites").

B. Further to the Resolution, on _____, 201__, Optionor and Optionee entered into a Siting Agreement under the provisions of Title 15 California Code of Regulations § 1747.5 to, among other things, describe the Proposed SCRF Sites and set forth the roles, responsibilities and performance expectations of the Parties with respect to, among other things, the evaluation of the Proposed SCRF Sites for the purpose of locating, constructing, establishing and operating an SCRF in the County.

C. Optionee has conducted a preliminary evaluation of the Proposed SCRF Sites as provided in the Siting Agreement and based on such preliminary evaluation has designated the Property, which is one of the Proposed SCRF Sites, as the preferred site to locate, construct, establish and operate an SCRF in the County (sometimes the "Project").

D. Optionee has requested that the SPWB authorize Optionee to proceed with the potential acquisition of the Property under this Agreement so that Optionee may and confirm, in its sole and absolute discretion, whether the Property is a Buildable Site.

E. On _____, the SPWB authorized Optionee to proceed with selection of the Property as a preferred SCRF site, and under the authority granted Optionee under the Budget Act of 2009, Chapter 1, Statutes 2009, Optionee desires to obtain from Optionor an irrevocable option and exclusive right to purchase the Property so that Optionee may proceed with determining whether the Property is a Buildable Site.

F. This Agreement serves as a framework among the Parties regarding the acquisition of the Property by Optionee so that it may determine in its sole and absolute discretion whether the Property is a Buildable Site. This Agreement does not contemplate approval of the Project until compliance with all governmental rules and regulations, including, but not limited to, CEQA. This Agreement does not limit the independent discretion of the Parties or any trustee or responsible agency, department, board or commission with jurisdiction over any future approval of the Project. It is the intention of the Parties that the Project will undergo CEQA review before they are approved and the Property is acquired. The Optionee has retained discretion to (i) make such modifications deemed necessary to mitigate significant environmental impacts, (ii) select other feasible alternatives to avoid such impacts, (iii) balance the benefits against unavoidable significant impacts prior to taking final action if such significant impacts cannot otherwise be avoided, or (iv) determine not to proceed with the Project. Under such circumstances, approval of this Agreement is not intended to constitute approval of a project under CEQA. In addition to any conditions described in this Agreement, approval of the Project is expressly subject to the receipt of all legally required approvals following environmental review.

G.. It is the intention of the Parties that this Agreement shall supersede the terms and conditions in the Siting Agreement concerning Optionee's acquisition of the Property and determination whether the Property is a Buildable Site; the terms and conditions of the Siting Agreement shall otherwise remain in full force and effect.

H. To further facilitate the collaborative planning process, each Party acknowledges that the Parties may enter into additional option agreements for alternative SCRF locations on the Proposed SRCF Sites.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises herein set forth and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Optionor and Optionee agree as follows:

ARTICLE I DEFINITIONS

Section 1.1 Definitions. As used herein, the following terms shall have the following meanings:

(a) "AB 900" means the Public Safety and Offender Rehabilitation Services Act of 2007 added by Chapter 7 of Statutes of 2007, as amended.

(b) "Agreement" has the meaning given to such term in the preamble, including all exhibits.

(c) ["Appraiser Appointment Deadline" has the meaning given to such term in Subsection 4.4(a) of this Agreement.]

(d) [“Appraisal Opening Date” has the meaning given to such term in Subsection 4.4(a) of this Agreement.]

(e) [“Appraisal Selection Deadline” has the meaning given to such term in Section 4.4(b) of this Agreement.]

(f) “Business Day” means every day other than Saturdays, Sundays, all days observed by the federal or California government as legal holidays and all days on which commercial banks in California are required by law to be closed.

(g) “Buildable Site” is a determination by Optionee, in its sole and absolute discretion, that the Property is suitable for acquisition and the construction, establishment and operation of an SCRF.

(h) [“California Certified General Real Estate Appraiser” means a real estate appraiser issued a certified general license by the California Office of Real Estate Appraisers.]

(i) “CEQA” means the California Environmental Act adopted in 1970 and codified in California Public Resources Code §§21000-21177, including its regulations and applicable case law.

(j) “Certificate of Acceptance” means the Certificate of Acceptance attached to the Grant Deed.

(k) “Close Escrow” and “Close of Escrow” are terms used interchangeably in this Agreement and mean the consummation of the purchase and sale of the Property by recordation of the Grant Deed in the official records of the County, concurrent issuance and dating of the Purchaser’s Title Policy and concurrent payment of the Purchase Price to Optionor as provided under the terms and conditions in this Agreement and the Property Acquisition Agreement.

(l) “County” shall mean the County of _____, a political subdivision of the State of California and Optionor under this Agreement.

(m) “DGS” shall mean the Department of General Services of the State of California, an entity of state government of the State of California.

(n) “Disapproved Matters” has the meaning given to such term in Section 7.3 of this Agreement.

(o) “Due Diligence Contingency” has the meaning given to such term in Section 7.1 of this Agreement.

(p) “Due Diligence Period” has the meaning given to such term in Section 7.1 of this Agreement.

(q) “Escrow Agent” is the Title Company at the location identified in Article 12 of this Agreement.

(r) “Effective Date” has the meaning given to such term in Section 2.1 of this Agreement.

(s) “Exercise of Option” has the meaning given to such term in Section 4.5 of this Agreement.

(t) “Exercise of Option Conditions” has the meaning given such term in Section 4.5 of this Agreement.

(u) [“Fair Market Value” means the term as defined in California Code of Civil Procedure §1263.320.]

(v) [“Fair Market Value of the Property” means the Fair Market Value of the Property as determined by the appraisal process described in Section 4.4 of this Agreement.]

(w) “Grant Deed” A warranty deed conveying marketable and indefeasible fee simple title to the Property from Optionor, as seller, to the SPWB, on behalf of Optionee, in the form attached as Exhibit A-1 to the Property Acquisition Agreement.

(x) “Notice of Exercise of Option” The notice delivered by Optionee to Optionor pursuant to Section 4.5 of this Agreement.

(y) “Notice of Removal of Due Diligence Contingency” has the meaning given to such term in Section 7.2 of this Agreement.

(z) “Notice of Waiver of Due Diligence Contingency” has the meaning given to such term in Section 7.3 of this Agreement.

(aa) “Notice of Title Approval” shall have the meaning given such term in Section 8.2 in this Agreement.

(bb) “Notice of Waiver of Title Objections” has the meaning given to such term in Section 8.2 of this Agreement.

(cc) “Option” has the meaning given to such term in Section 3.1 of this Agreement.

(dd) “Option Fee” has the meaning given to such term in Section 3.1 of this Agreement.

(ee) “Option Term” has the meaning given to such term in Section 4.1.

(ff) “Option Title Documents” has the meaning given to such term in Section 4.3 of this Agreement.

(gg) “Option Title Policy” has the meaning given to such term in Section 4.3 of this Agreement.

(hh) “Optionee”: The California Department of Corrections and Rehabilitation, the Optionee in this Agreement as identified in the preamble, and its successors and assigns.

(ii) “Optionor” The County, the Optionor in this Agreement as identified in the preamble, and its successors and assigns.

(jj) “Optionor’s Disapproved Matters Notice” has the meaning given to such term in Section 7.3 of this Agreement.

(kk) “Optionor’s Title Notice” has the meaning given to such term in Section 8.2 of this Agreement.

(ll) “Parties” has the meaning given to such term in the preamble to this Agreement.

(mm) “Party” has the meaning given to such term in the preamble to this Agreement.

(nn) “Permitted Exceptions” has the meaning given to such term in Section 8.2 of this Agreement.

(oo) “Preliminary Report” means a preliminary report of title for the Property prepared and issued by Escrow Agent from time to time as requested by the Parties.

(pp) “Project” means the acquisition of the Property by Optionee under the terms and conditions of this Agreement and the Property Acquisition Agreement to locate, construct, establish and operate a SCRF on the Property.

(qq) “Property” means the tracts of land described in Exhibit B, together with all easements, interests, rights, benefits and privileges, if any, benefiting the land, and all the rights and appurtenances pertaining to the land and easements, including any right, title and interest of Optionor in its capacity as the owner of a fee simple interest title and other rights of possession to roads, alleys, or rights-of-way, together with all rights of ingress and egress onto the land and together with any and all oil, gas and minerals lying under, in, on or about, or constituting a part of the land, regardless of whether or not such minerals are considered a part of the surface estate or a part of the mineral estate.

(rr) “Property Acquisition Agreement” means the agreement by which the purchase and sale of the Property by and between Optionor and Optionee is consummated after Optionee’s Exercise of the Option, in the form of Exhibit C attached hereto and incorporated herein by reference.

(ss) “Proposed SCRF Sites” has the meaning given to such term in the Recitals.

(tt) “Purchase Price” means the purchase price to be paid by Optionee to Optionor for the Property at Close of Escrow, which shall be the Fair Market Value of the Property [the amount set forth in Section 4.4as determined under the appraisal process set forth in Section 4.4 of this Agreement].

(uu) “Purchaser’s Title Commitment” has the meaning given to such term in Section 8.3 of this Agreement.

(vv) “Purchaser’s Title Policy” has the meaning given to such term in Section 8.3 of this Agreement.

(ww) “Purchaser’s Title Review Documents” has the meaning given to such term in Section 8.1 of this Agreement.

(xx) “Quitclaim Deed” means a quitclaim deed given by Optionee to Optionor further to Section 4.1 in the form attached hereto as Exhibit D and incorporated herein by this reference.

(yy) “Representatives” means, with respect to any person or entity, such person’s or entity’s agents or representatives, including, without limitation, its directors, officers, employees, affiliates, partners, agents, contractors, engineers, attorneys, accountants, consultants, brokers or financial advisors.

(zz) “Resolution” has the meaning given such term in the Recitals to this Agreement.

(aaa) “SCRF” has the meaning given such term in the Recitals to this Agreement.

(bbb) “Siting Agreement” means the Reentry Program Facility Siting Agreement between the Parties dated _____, 201__ and attached hereto as Exhibit E and incorporated herein by this reference.

(ccc) “SPWB” shall mean the State Public Works Board of the State of California, an entity of state government of the State of California.

(ddd) “Survey” A land title survey of the Property as may be requested by Optionee from time to time during the Option Term.

(eee) “Termination Notice” has the meaning given the term in Section 7.2 of this Agreement.

(fff) “Third Appraiser Appointment Deadline” has the meaning given the term in Subsection 4.4(b) of this Agreement.

(ggg) “Title Company” means a title insurance company of a national reputation with offices in California and mutually acceptable to the Parties.

(hhh) “Update Exception” shall have the meaning given such term in Section 8.3 in this Agreement.

[NTD: BRACKETED DEFINITIONS SHOULD BE DELETED OR REVISED (AS APPLICABLE) DEPENDING ON WHETHER ALTERNATIVE 1 OR ALTERNATIVE 2 OF SECTION 4.4 IS SELECTED.]

ARTICLE II EFFECTIVE DATE

Section 2.1 Effective Date of Agreement. The Parties hereby confirm and agree that this Agreement is effective and binding on the Parties upon the first day (the “Effective Date”) on which this Agreement has been authorized by the SPWB at a duly authorized meeting and a duly authorized representative of the SPWB has executed this Agreement.

ARTICLE III
GRANT OF OPTION

Section 3.1 Option. For and in consideration of the sum of _____ and no/100 Dollars (\$_____.) payable by Optionee to Optionor (“Option Fee”), through the Escrow Agent, and other good and valuable consideration, the receipt and sufficiency of which consideration is hereby acknowledged by Optionor (other than the Option Fee), Optionor hereby grants to Optionee, and Optionee shall have, the exclusive right and option, but not the obligation, to purchase the Property from Optionor upon the terms and conditions set forth in this Agreement (“Option”). The Option Fee shall be credited to the Purchase Price of the Property at the Close of Escrow.

ARTICLE IV
OPTION TERMS

Section 4.1 Term of Option. [Subject to the extension of the term as provided herein, [NTD: DELETE BRACKETED MATERIAL IF ALTERNATIVE 1 OF SECTION 4.4 IS USED REGARDING A FIXED PURCHASE PRICE.]] the Option shall have a term (“Option Term”) commencing on the Effective Date and expiring upon the earlier of: (i) _____, 200_, (ii) the date of Close of Escrow or (iii) Optionee’s earlier termination of this Agreement, which Optionee may do at any time in its sole and absolute discretion by providing written notice to Optionor. During the Option Term, the Option shall be exclusive and irrevocable. If this Agreement is terminated as provided in this Agreement, Optionee shall execute, acknowledge and deliver the Quitclaim Deed to Optionor within ten (10) days after Optionor’s written request to do so.

Section 4.2 Recordation of Agreement. Optionee and/or the SPWB shall have the right to record the Agreement in the Official Records of County at any time on or after the Effective Date.

[Add one of the following alternatives]

[Alternative 1: Escrow opened]

Section 4.3 Option Title Policy; Escrow. Optionee may in its discretion obtain an ALTA or CLTA owner’s title policy to insure the Option interest of Optionee in the Property under this Agreement in the amount of \$ _____ (the “Option Title Policy”), subject only to the standard printed exceptions of the Title Company and the matters identified in the Preliminary Report. The Parties acknowledge that escrow has been opened with the Escrow Agent, escrow number _____, and Optionee acknowledges that Escrow Agent has delivered to the Parties a current Preliminary Report together with accurate copies of all such vesting, exception, and subdocuments of title (the “Option Title Documents”). Optionor will assist Optionee in obtaining the Option Title Documents and the Option Title Policy and any endorsements thereto that Optionee may request in its sole and absolute discretion, including, without limitation, Optionor’s cooperation by executing such documents that the Title Company may request that Optionor execute. Optionee shall pay the expense of issuing the Option Title Policy and any endorsements to the Option Title Policy.

[Alternative 2: Escrow not opened]

Section 4.3 Option Title Policy; Escrow. Optionee may in its discretion obtain an ALTA or CLTA owner’s title policy to insure the Option interest of Optionee in the Property under this

Agreement in the amount of \$ _____ (the “Option Title Policy”), subject only to the standard printed exceptions of the Title Company and the matters identified in the Preliminary Report. Within five (5) days of the Effective Date, the Parties shall open escrow with the Escrow Agent and Optionee shall deliver to Escrow Agent the Option Fee. Within five (5) days of opening escrow, Escrow Agent shall deliver a copy of a then current Preliminary Report together with accurate copies of all such vesting, exception and subdocuments of title (the “Option Title Documents”) to the Parties. Optionor will assist Optionee in obtaining the Option Title Documents and the Option Title Policy and any endorsements thereto that Optionee may request in its sole and absolute discretion, including, without limitation, Optionor’s cooperation by executing such documents that the Title Company may request that Optionor execute. Optionee shall pay the expense of issuing the Option Title Policy and any endorsements to the Option Title Policy.

[Add one of the following alternatives]

[Alternative 1: Purchase Price known at time of Option]

Section 4.4 Purchase Price. The purchase price for the Property shall be _____ and 00/100 Dollars (\$_____).

[Alternative 2: Purchase Price unknown and to be determined by appraisal process]

Section 4.4 Purchase Price. The Purchase Price shall be determined as follows:

(a) Within fifteen (15) days after delivery of both: (i) the Notice of Removal of Due Diligence Contingency, or alternatively, Notice of Waiver of Due Diligence Contingency, and (ii) Notice of Title Approval, or alternatively, Notice of Waiver of Title Objections, (the “Appraiser Appointment Deadline”), each Party, at its own cost and by giving notice to the other party, shall appoint a California Certified General Real Estate Appraiser with at least five (5) years’ experience in appraising the fair market values of real property located in the County to appraise and determine the Fair Market Value of the Property. For purposes of determining the Fair Market Value of the Property, each appraisal shall be in compliance with: (i) the Uniform Standards of Professional Appraisal Practice as adopted by the Appraisal Standards Board of the Appraisal Foundation and (ii) the appraisal specifications and requirements of the DGS, in effect at the time of the appraisals, if any. If, prior to the expiration of the Appraiser Appointment Deadline, only one (1) Party shall give notice of appointment of an appraiser, the single appraiser appointed shall determine the Fair Market Value of the Property. If each Party shall give notice of appointment of an appraiser prior to the expiration of the Appraiser Appointment Deadline, the two (2) appraisers appointed by the Parties shall each independently, and without consultation, prepare a written appraisal of the Fair Market Value of the Property within thirty (30) days after the Appraiser Appointment Deadline. Each appraiser shall seal its respective appraisal after completion. After both appraisals are completed, the appraisals shall be opened simultaneously and compared (“Appraisal Opening Date”). If the higher appraisal is no greater than one hundred ten percent (110%) of the lower appraisal, then the Fair Market Value of the Property shall be the average of the two appraisals. If the higher appraisal is greater than one hundred ten percent (110%) of the lower appraisal, then a third appraiser shall be appointed, and the Fair Market Value of the Property shall be determined by the third appraiser selecting one of the two appraisals as the Fair Market Value of the Property as set forth in Subsection (b) below.

(b) If the appointment of a third appraiser is required, then the two (2) appraisers shall appoint a third appraiser within five (5) days of the Appraisal Opening Date (“Third Appraiser Appointment Deadline”), who shall be a California Certified General Real Estate Appraiser with at least five (5) years’ experience in appraising the fair market values of real property located in the County. If the two (2) appraisers have not agreed on the third appraiser prior to the expiration of the Third Appraiser Appointment Deadline, either Party, by giving ten (10) days notice to the other party, may apply to the then presiding judge of the Superior Court of the County for the appointment of a third appraiser who meets the qualifications set forth in this subsection. The third appraiser, however selected, shall be a person who has not previously acted in any capacity for either Party. Within thirty (30) days of the Third Appraiser Appointment Deadline (“Appraisal Selection Deadline”), the third appraiser shall select the appraisal of one of the previously appointed two (2) appraisers that the third appraiser determines is the more accurate appraisal of the Fair Market Value of the Property. The third appraiser shall have no right to determine, modify or impose a Fair Market Value of the Property other than as provided in this subsection. In the event the third appraiser fails, refuses or is unable to act, a successor shall be appointed in the manner that applied to the selection of the appraiser being replaced. In the event the third appraiser is appointed by the Superior Court, or fails, refuses or is unable to select one of the two appraisals, the Option Term shall be extended for a period of time equal to the number of days that have lapsed between the date of the Appraisal Selection Deadline and the date the third appraiser eventually makes the selection of the appraisal.

(c) Within five (5) business days after the determination of the Purchase Price, the Parties shall execute a certificate certifying the Purchase Price in the form attached as Exhibit G and incorporated herein by this reference.

Section 4.5 Exercise of Option. The Option may be exercised (“Exercise of Option”) by Optionee's delivery to Optionor and Escrow Agent at any time no later than fifteen (15) days prior to the expiration of the Option Term a notice of exercise of Option (“Notice of Exercise of Option”) and an executed copy of the Property Acquisition Agreement. Optionee’s delivery of the Notice of Exercise of Option shall not terminate the Option Term. The Option Term shall remain open to allow the Close of Escrow to occur prior to the expiration of the Option Term. Before the Option may be exercised, all of the following conditions, which are for the sole benefit of Optionee (the “Exercise of Option Conditions”), must be satisfied by Optionee, in its sole discretion, as follows:

(a) Optionee shall have completed the Due Diligence Review, including but not limited to all CEQA review, and determined that the Property is a Buildable Site.

(b) Optionee shall have delivered to Optionor and Escrow Agent the Notice of Removal of Due Diligence Contingency or Notice of Waiver of Due Diligence Contingency.

(c) Optionee shall have delivered to Optionor and Escrow Agent the Notice of Title Approval or Notice of Waiver of Title Objections.

(d) The Purchase Price of the Property shall have been determined.

(e) The Title Company shall have issued to Optionee the Purchaser’s Title Commitment.

(f) The SPWB shall have authorized at a duly authorized meeting Optionee's Exercise of Option and purchase of the Property under the terms and conditions of this Agreement and the Property Acquisition Agreement.

Any attempt to exercise the Option without the satisfaction of the Exercise of Option Conditions shall be of no force and effect and this Agreement shall continue according to its terms.

ARTICLE V EXECUTION OF PROPERTY ACQUISITION AGREEMENT

Section 5.1 Execution of Property Acquisition Agreement. In the event Optionee exercises the Option, Optionor agrees to sell and Optionee agrees to purchase the Property in accordance with the following terms and conditions contained in the Property Acquisition Agreement:

(a) Within five (5) days of delivery of the Notice of Exercise of Option, Optionor shall cause a fully executed copy of the Property Acquisition Agreement to be delivered to Optionee and the Escrow Agent.

(b) The Purchase Price shall be payable at the Close of Escrow.

(c) Optionor shall deliver to Escrow Agent an executed and notarized copy of the Grant Deed within five (5) days of delivery of the Notice of Exercise of Option.

(d) The SPWB shall deliver to Escrow Agent a fully executed and notarized copy of the Certificate of Acceptance.

(e) The Title Company shall date and issue the Purchaser's Title Policy concurrently with recordation of the Grant Deed.

(f) The Close of Escrow shall occur within sixty (60) days from the date of delivery of the Notice of Exercise of Option.

Section 5.2 Effect of Failure to Execute Property Acquisition Agreement. Any Party's failure to execute and deliver a copy of the Property Acquisition Agreement or other items required to be delivered to Escrow in accordance with Section 5.1 shall not affect the validity or enforceability of this Agreement or the Property Acquisition Agreement and the Escrow Agent shall Close Escrow as provided in this Agreement. In the event Optionor fails to Close Escrow pursuant to the terms of this Agreement, the Property Acquisition Agreement, or both, Optionee shall be entitled to either sue for specific performance or sue for money, and the parties expressly waive the provisions in California Civil Code Section 1624 in the event an action for specific performance is commenced.

ARTICLE VI REPRESENTATIONS AND WARRANTIES

Section 6.1 Representations and Warranties Regarding Optionor's Authority. In addition to any express agreements of Optionor contained herein, the following constitute representations and warranties of Optionor to Optionee:

(a) Optionor has full right, power and legal authority to enter into this Agreement, sell, transfer and convey the Option to Optionee under this Agreement and to carry out Optionor's obligations under this Agreement and the Property Acquisition Agreement. Upon the Close of Escrow, Optionee will have good, marketable and insurable title to the Property.

(b) The individuals executing this Agreement and the instruments referenced herein on behalf of Optionor have the legal power, right and actual authority to bind Optionor to the terms hereof and thereof.

(c) This Agreement is, and all other instruments, documents and agreements required to be executed and delivered by Optionor in connection with this Agreement and the Property Acquisition Agreement are and shall be, duly authorized, executed and delivered by Optionor and shall be valid, legally binding obligations of and enforceable against Optionor in accordance with their terms, subject only to enforcement that may be limited by applicable bankruptcy, insolvency or similar laws, and do not, and as of the Close of Escrow will not, violate any provisions of any agreement, law, rule, regulation or judicial order to which Optionor or the Property is subject.

(d) Neither the execution and delivery of this Agreement and documents referenced herein, nor the incurrence of the obligations set forth herein, nor the consummation of the transactions herein contemplated, nor compliance with the terms of this Agreement, the Property Acquisition Agreement, and the documents referenced herein conflict with or result in the material breach of any terms, conditions or provisions of, or constitute a default under, any agreements or instruments to which Optionor is a party or affecting the Property.

Section 6.2 Representations and Warranties Pertaining to Real Estate and Legal Matters.
To the best of Optionor's knowledge as to the matters set forth below, Optionor represents and warrants as follows:

(a) Optionor is the owner of the Property and has marketable and insurable fee simple title to the Property clear of restrictions, leases, liens and other encumbrances, except for Permitted Exceptions.

(b) There is no suit, action, arbitration, legal, administrative, or other proceeding or inquiry pending against the Property or pending against Optionor which could affect Optionor's title to the Property, affect the value of the Property, or subject an owner of the Property to liability.

(c) There are no attachments, execution proceedings, or assignments for the benefit of creditors, insolvency, bankruptcy, reorganization or other proceedings pending against Optionor.

(d) Optionor has not entered into any other contracts for the sale of the Property, nor does there exist any rights of first refusal, reversions, or options to purchase the Property or any portion of the Property.

(e) Optionor is neither party nor subject or bound by any agreement, contract, or lease of any kind relating to the Property which would impose an obligation on Optionee or otherwise affect marketability of title to the Property.

(f) Optionor has knowledge of the investigations, studies, and documents relating to the Property described in Exhibit H attached hereto and incorporated herein by this reference; Optionor has delivered to Optionee true and correct copies of such information and documents; and Optionee has relied on such information and documents in entering into this Agreement.

(g) As of the Close of Escrow, there shall be no unrecorded leases, licenses or other agreements which would grant any person or entity the right to use or occupy any portion of the Property, including any improvements thereon, and no improvements on the Property that encroach upon the Property of a third party.

(h) There are no and have been no:

(i) actual or pending public improvements which will result in the creation of any liens upon the Property, including public assessments or mechanics liens, and Optionor agrees to indemnify, defend and hold Optionee free and harmless from and against any claims, liabilities, losses, costs, damages, expenses and attorneys' fees arising from any liens, encumbrances or assessments that have been, or may be, imposed upon the Property as a consequence of actual or impending public improvements as of the Close of Escrow, including any obligations to pay a fee or assessment for infrastructure to the extent such liability survives or continues after the Close of Escrow, and Optionee agrees to cooperate with Optionor, at Optionor's costs and to the extent permitted by law, with respect to Optionor's efforts to remove any such liens, fees, assessments, or encumbrances.

(ii) uncured notices from any governmental agency notifying Optionor of any violations of law, ordinance, rule, or regulation, including Environmental Laws, occurring on the Property.

(iii) notices of any condemnation, zoning or other land-use regulation proceedings, either instituted or planned to be instituted, which would detrimentally affect the use, operation or value of the Property.

Section 6.3 Warranties, Representations and Covenants Regarding Operation of the Property through Close of Escrow.

(a) Optionor hereby agrees that Optionor will provide Optionee notice of any new leases or any other obligations or agreements affecting the Property, and further, that the Optionor will not enter into any new leases or any other obligations or agreements that will affect the Property at or after the Close of Escrow without the prior written consent of Optionee, which consent the Optionee may withhold or grant in its absolute discretion.

(b) Optionor will not subject the Property to any additional liens, encumbrances, covenants, conditions, easements, rights of way or similar matters after the Effective Date that will not be eliminated prior to the expiration of the Option Term.

(c) Optionor shall promptly notify Optionee of any event or circumstance that makes any representation or warranty of Optionor under this Agreement untrue or misleading, or of any covenant of Optionor under this Agreement incapable or less likely of being performed. Optionor's obligation to provide the notice described in the preceding sentence to Optionee shall in

no way relieve Optionor of any liability for a breach by Optionor of any of its representations, warranties or covenants under this Agreement.

Section 6.4 Representations Pertaining to Additional Documents. There are no leases, subleases or tenancies in effect pertaining to the Property excluding and excepting those identified in Exhibit H.

Section 6.5 General Representation. No representation, warranty or statement of Optionor in this Agreement or in any document, certificate, exhibit or schedule furnished or to be furnished to Optionee pursuant hereto contains or will contain any untrue statement of a material fact or omits or will omit to state a material fact necessary to make the statements or facts contained therein not misleading.

Section 6.6 Optionee's Representations and Warranties. In addition to any express agreements of Optionee contained herein, the following constitute representations and warranties of Optionee to Optionor:

(a) Optionee has the legal power, right and authority to enter into this Agreement and the instruments referenced herein, and to carry out Optionee's obligations under this Agreement.

(b) The individuals executing this Agreement and the instruments referenced herein on behalf of Optionee have the legal power, right, and actual authority to bind Optionee to the terms and conditions of this Agreement.

(c) This Agreement is, and all other instruments, documents and agreements required to be executed and delivered by Optionee in connection with this Agreement are and shall be, duly authorized, executed and delivered by Optionee and shall be valid, legally binding obligations of and enforceable against Optionee in accordance with their terms.

(d) Under the provisions in the Siting Agreement, Optionee has designated the Property as a preferred site for CEQA review after a preliminary evaluation of the Proposed SCRF Sites.

ARTICLE VII DUE DILIGENCE REVIEW

Section 7.1 Site Investigation, Access to Property, CEQA, and Other Support. From the Effective Date until ninety (90) days prior to expiration of the Option Term (the "Due Diligence Period"), Optionee and Representatives shall have the right, at the sole cost and expense of Optionee, to conduct a due diligence review of the Property to determine in Optionee's sole and absolute discretion whether the Property is a Buildable Site ("Due Diligence Contingency").

(a) Within five (5) days after Optionor's execution of this Agreement, to the extent Optionor has not previously done so, Optionor shall deliver to Optionee copies of the following documents concerning the Property to the extent that such documents and materials currently exist and are in Optionor's possession or control:

(i) Copies of any existing surveys of the Property;

(ii) Copies of all existing contracts relating to the operation, maintenance and management of the Property;

(iii) “As built” construction plans for any building, electrical, mechanical and structural systems, engineering reports and permanent certificates of occupancy, to the extent now available;

(iv) All soils and engineering reports pertaining to the Property;

(v) Architectural, civil, and structural certificates of compliance;

(vi) All Phase I and II preliminary site assessment environmental reports and other environmental reports; and

(vii) Copies of all CEQA documents (draft or final) for projects on or immediately adjacent to the Property, including environmental documents for any adjacent county correctional facilities.

(b) Optionee shall be provided with access to the Property and be entitled to undertake, at Optionee’s sole expense, inspections of the Property; review of the physical condition of the Property, including, but not limited to, inspection and examination of soils, environmental factors, hazardous substances, biological resources, archaeological information, and water resources, if any, relating to the Property; and a review and investigation of the effect of zoning, maps, permits, reports, engineering data, regulations, ordinances, and laws affecting the Property, if any.

(c) The Parties recognize that the exercise of the Option and the acquisition of the Property under the terms and conditions of this Agreement and the Property Acquisition Agreement are subject to and conditioned on CDCR fully and completely fulfilling its obligations under CEQA. Optionee shall, in good faith consult with Optionor during the preparation of any environmental documentation required by CEQA. The Parties understand and acknowledge the following:

(i) None of the Parties has yet given any approval to acquire the Property to locate, construct, establish and operate an SCRF.

(ii) The Parties recognize that CDCR will be the lead agency for purposes of complying with CEQA in regard to the acquisition of the Property and the construction, establishment and operation of an SCRF within the County.

(iii) The Parties recognize that CEQA compliance will be accomplished most effectively with substantial cooperation from the Optionor. To this end, the Optionor agrees to fully cooperate with the Optionee during its evaluation of the potential impacts on the environment of the SCRF on the Property, including mitigation measures, which cooperation shall include providing all existing data, reports or other information requested by the Optionee, promptly commenting on draft documents if requested by the Optionee, providing venues and assistance for public outreach by the Optionee, and undertaking any other tasks associated with CEQA compliance as requested by the Optionee, all at the Optionor’s sole expense.

(iv) In order fully to implement the provisions of CEQA, Optionee intends to commence the preparation of an appropriate environmental document at the earliest possible date.

Section 7.2 Removal of Due Diligence Contingency; Termination. At any time prior to the expiration of the Due Diligence Period, Optionee, in its sole and absolute discretion, shall have the right to terminate this Agreement (“Termination Notice”), for any reason or no reason, upon notice given to Optionor, in which event this Agreement shall terminate, subject to Optionor’s cure rights, if any, and neither Party shall have any further rights or obligations hereunder, except for those matters that are expressly provided in this Agreement to survive the termination of this Agreement. If not sooner terminated by Optionee, this Agreement shall be deemed to have been terminated by Optionee upon the expiration of the Due Diligence Period, unless Optionee shall have delivered notice to Optionor prior to the expiration of the Due Diligence Period notifying Optionor that Optionee is satisfied the Property is a Buildable Site and removes the Due Diligence Contingency (the “Notice of Removal of Due Diligence Contingency”). If Optionee timely delivers the Notice of Removal of Due Diligence Contingency, then Optionee shall be deemed to have elected to continue this Agreement.

Section 7.3 Optionor’s Right to Cure. Optionee, in its sole and absolute discretion, may elect at the time of delivery of the Termination Notice to identify the matters to which it disapproves (the “Disapproved Matters”). Optionor shall have a period of fifteen (15) days after delivery of the Termination Notice in which Optionor may notify Optionee (the “Optionor’s Disapproved Matters Notice”) of Optionor’s election to either cure the Disapproved Matters within thirty (30) days of the expiration of the Due Diligence Period to Optionee’s satisfaction, in its sole and absolute discretion, or decline to cure the Disapproved Matters. Optionor’s failure to deliver the Optionor’s Notice within said fifteen (15) day period shall be deemed Optionor’s election to decline to cure the Disapproved Matters. If Optionor: (i) notifies Optionee of its election to decline to cure the Disapproved Matters, (ii) is deemed to have elected to decline to cure the Disapproved Matters, or (iii) is unable to cure to Optionee’s satisfaction the Disapproved Matters, then Optionee may elect to either terminate this Agreement, or in its sole and absolute discretion, waive the Disapproved Matters and continue this Agreement. If Optionee elects to waive the Disapproved Matters, Optionee shall give notice to Optionor (the “Notice of Waiver of Due Diligence Contingency”) within fifteen (15) days after delivery of Optionor’s Disapproved Matters Notice, or Optionor’s deemed election to not cure the Disapproved Matters.

ARTICLE VIII STATUS OF TITLE; PURCHASER’S TITLE INSURANCE

Section 8.1 Title Documents. Upon Optionee’s delivery of either the Notice of Removal of Due Diligence Contingency or the Notice of Waiver of Due Diligence Contingency, Optionee, will cause to be prepared a current Survey of the Property and obtain from the Title Company a current Preliminary Report showing the status of title to the Property and all exceptions affecting the Property, together with accurate copies of all such vesting, exception, and subdocuments of title, collectively the “Purchaser’s Title Review Documents.”

Section 8.2 Title Review. If the Purchaser’s Title Review Documents show exceptions to title or matters affecting the Property which Optionee determines in its sole and absolute discretion to be objectionable, Optionee shall within thirty (30) days after Optionee’s receipt of the Purchaser’s Title Review Documents give notice to Optionor of either Optionee’s approval of the Title Review Documents (“Notice of Title Approval”) or Optionee’s written objections thereto (the “Title

Objections”). Optionor shall have fifteen (15) days after delivery of the Title Objections to notify Optionee (“Optionor’s Title Notice”) of Optionor’s election to either cure the Title Objections to Optionee’s satisfaction within thirty (30) days of delivery of the Optionor’s Title Notice, or decline to cure the Title Objections. Optionor’s failure to deliver the Optionor’s Title Notice within said fifteen (15) day period shall be deemed Optionor’s election to decline to cure the Title Objections. If Optionor: (i) notifies Optionee of its election to decline to cure the Title Objections, (ii) is deemed to have elected to decline to cure the Title Objections or (iii) is unable to cure the Title Objections to Optionee’s satisfaction in its sole and absolute discretion, Optionee may elect to either terminate this Agreement, or in its sole and absolute discretion, waive the uncured Title Objections and continue this Agreement. If Optionee elects to waive the Title Objections, Optionee shall give notice to Optionor (the “Notice of Waiver of Title Objections”) within fifteen (15) days after delivery of Optionor’s Title Notice, or Optionor’s deemed election to decline to cure the Title Objections. All Title Objections expressly consented to or waived by Optionee, together with the standard exceptions to the Purchaser’s Title Policy, shall constitute “Permitted Exceptions.”

Section 8.3 Purchaser’s Title Policy. Upon determination of the Purchase Price, the Title Company shall deliver to Optionee a binding title commitment (“Purchaser’s Title Commitment”) irrevocably committing the Title Company to issue to Optionee, as purchaser, either an ALTA extended owner’s policy or CLTA standard owner’s policy, at Optionee’s option, together with such endorsements as Optionee may require in its sole discretion, in the amount of the Purchase Price, insuring that fee simple title to the Property is vested in Optionee, as Purchaser, at Close of Escrow, subject only to the Permitted Exceptions (“Purchaser’s Title Policy”). If, prior to the Close of Escrow, the Title Company shall deliver any update to the Purchaser’s Title Commitment which discloses additional liens, encumbrances or other title exceptions which were not disclosed by the previous Purchaser’s Title Commitment (each, an “Update Exception”), then, subject to the terms and provisions herein, Optionee shall have until the earlier of (i) three (3) Business Days after delivery of such Update Exception or (ii) the Business Day immediately preceding the Close of Escrow (or, if the update is not delivered until the Close of Escrow, the Close of Escrow), to deliver notice to Optionor objecting to any of the Update Exceptions that are not Permitted Exceptions and either: (x) terminate this Agreement, (y) require Optionor to cure the Update Exception prior to Close of Escrow, or (z) waive the Update Exception and Close Escrow.

ARTICLE IX CONDEMNATION; DAMAGE AND DESTRUCTION

Section 9.1 Condemnation. If during the Option Term a material portion of the Property is taken by eminent domain (or an action of eminent domain has been commenced against all or any portion of the Property), upon Optionor’s receipt of notice thereof Optionor shall promptly notify Optionee of such fact, and Optionee shall have the option to terminate this Agreement upon notice to Optionor given not later than ten (10) days after Optionee’s receipt of Option’s notice. If Optionee elects to terminate this Agreement, all funds and documents deposited with Escrow Agent by or on behalf of Optionee shall be returned to Optionee. If Optionee does not exercise such option to terminate this Agreement, Optionor shall assign to Optionee at the Close of Escrow, and Optionee shall be entitled to negotiate for, receive, and keep, all awards, and rights to receive future awards, for such taking by eminent domain, and the transaction contemplated by this Agreement shall be consummated pursuant to the terms hereof and the Property Acquisition Agreement, without any reduction of the Purchase Price.

Section 9.2 Effect of Damage or Destruction. If during the Option Term a material portion of the Property is damaged or destroyed by fire or other casualty, Optionor shall promptly notify Optionee of such fact, and Optionee shall have the option to terminate this Agreement upon notice to Optionor given not later than ten (10) days after Optionee's receipt of Optionor's notice. If Optionee elects to terminate this Agreement, all funds and documents deposited with Escrow Agent by or on behalf of Optionee shall be returned to Optionee. If Optionee does not elect to terminate this Agreement, Optionor shall assign to Optionee at the Close of Escrow, all of Optionor's rights under any insurance policy covering the damage or loss, and all claims for money payable from Optionor's insurer(s) in connection with the damage or loss, and pay to Optionee at Close of Escrow the amount of Optionor's deductible under the insurance policy or policies covering the damage or loss.

ARTICLE X INDEMNIFICATION

Section 10.1 Indemnification. Optionor agrees, at its sole cost and expense, to indemnify, protect, defend and hold harmless Optionee, SPWB and DGS, and their respective officers, employees and agents (collectively "Optionor Indemnified Parties"), from and against any and all claims (including, without limitation, personal injury and consequential damages claims), demands, damages, losses, liabilities, obligations, penalties, fines, actions, cause of action, judgments, suits, proceedings, costs and expenses (including, without limitation, attorneys' fees, court costs, administrative procedural costs and experts' fees) of any kind or nature whatsoever ("Claims") which may at any time be imposed upon, incurred or suffered by, or asserted or awarded against Optionor Indemnified Parties relating to or arising from (i) the use on or before the exercise of the Option of the Property by Optionor or any third party, including, without limitation, any invitee or licensee of Optionor, and (ii) Optionor's breach of any of the obligations, representations or warranties of Optionor under this Agreement.

ARTICLE XI REMEDIES

Section 11.1 Remedies. If either Party fails to perform in a timely manner any obligation under this Agreement, the other Party shall be entitled to the remedies for breach of contract that are available under applicable law, including without limitation, the remedy of specific performance.

ARTICLE XII NOTICES

Section 12.1 Notices. All notices, demands, consents, requests or other communications required to or permitted to be given pursuant to this Agreement shall be in writing, shall be given only in accordance with the provisions of this Article, shall be addressed to the parties in the manner set forth below, and shall be conclusively deemed to have been properly delivered: (i) upon receipt when hand delivered during normal business hours (provided that, notices which are hand delivered shall not be effective unless the sending party obtains a signature of a person at such address that the notice has been received); (ii) upon receipt when sent by facsimile to the number set forth below (provided that, notices given by facsimile shall not be effective unless the sending party delivers the notice also by one other method permitted under this Article; (iii) upon the day of delivery if the notice has been deposited in an authorized receptacle of the United States Postal Service as first-class, registered or certified mail, postage prepaid, with a return receipt requested (provided that, the sender has in its possession the return receipt to prove actual delivery), except in the case of exercise

of the Option, which shall be effective when deposited in the mail; or done (1) Business Day after the notice has been deposited with either Golden State Overnight, FedEx or United Parcel Service to be delivered by overnight delivery (provided that, the sending party receives a confirmation of actual delivery from the courier). The addresses of the parties to receive notices are as follows:

If to Optionor County of _____

Attention: _____

With copies to:

Attention: _____

If to Optionee:

Department of Corrections and
Rehabilitation

Attention: _____

With copies to:

Attention: _____

State Public Works Board

Attention: _____

Department of General Service

Attention: _____

If to Escrow Agent:

Title Insurance Company

Attention: _____

Each party shall make an ordinary, good faith effort to ensure that it will accept or receive notices that are given in accordance with this Article, and that any person to be given notice actually receives such notice. Any notice to a party which is required to be given to multiple addresses shall only be deemed to have been delivered when all of the notices to that party have been delivered pursuant to

this Article. If any notice is refused, the notice shall be deemed to have been delivered upon such refusal. Any notice delivered after 5:00 p.m. (recipient's time) or on a non-Business Day shall be deemed delivered on the next business day. A party may change or supplement the addresses given above, or designate additional addressees, for purposes of this Article, by delivering to the other party written notice in the manner set forth above.

ARTICLE XIII REAL ESTATE COMMISSION

Section 13.1 No Real Estate Commission. Each Party hereby represents and warrants to the other Party that it has retained no broker or other party to whom a commission or finder's fee is due with respect to the transactions contemplated hereby.

ARTICLE XIV MISCELLANEOUS

Section 14.1 Entire Agreement. This Agreement shall constitute the entire understanding and agreement of the Parties hereto regarding the siting, construction, establishment and operation of an SCRF on the Property, and all prior agreements, understandings, representations or negotiations are hereby superseded, terminated and canceled in their entirety, and are of no further force or effect, including, but not limited to, the Siting Agreement; provided, however, nothing in this Agreement shall supersede, terminate, or cancel the provisions in the Siting Agreement concerning the establishment of an SCRF on Proposed SCRF Sites other than the Property; further provided, however, in the event this Agreement is terminated, the Option is not exercised, or the Property is not acquired, the Property shall at such time be included within the definition of Proposed SCRF Sites and subject to the provisions of the Siting Agreement.

Section 14.2 Assignment. Each Party shall have the right to assign its interests under this Agreement at any time prior to the Close of Escrow; provided, however, that any valid assignment shall not relieve the Party from the performance of its duties and obligations, or of its representations and warranties hereunder. Written notice of any intended assignment by either Party shall be given to the other Party thirty (30) days prior to the effective date of assignment.

Section 14.3 Attorneys' Fees. If either Party incurs attorneys' fees in order to enforce, defend, or interpret any of the terms, provisions or conditions of this Agreement or because of a breach of this Agreement by the other party, the prevailing party, whether by court action or other action shall be entitled to recover reasonable attorneys' fees, expert witnesses' fees, costs of suit from the other Party.

Section 14.4 Calculation of Time. Under this Agreement, when the day upon which performance would otherwise be required or permitted is a Saturday, Sunday or holiday, then the time for performance shall be extended to the next day which is not a Saturday, Sunday or holiday. The term "holiday" shall mean all and only those State holidays specified in Sections 6700 and 7701 of the California Government Code.

Section 14.5 Time of Essence. Time is of the essence of this Agreement and each and every provision hereof.

Section 14.6 Waiver. The waiver by any party to this Agreement of a breach of any provision of this Agreement shall not be deemed a continuing waiver or a waiver of any subsequent breach of that or any provision of this Agreement.

Section 14.7 Amendments. This Agreement may not be modified or amended except in writing by the Parties and approved with the same formalities governing approval of this Agreement.

Section 14.8 Applicable Law. The Parties hereto acknowledge that this Agreement has been negotiated and entered into in the State of California. The Parties hereto expressly agree that this Agreement shall in all respects be governed by the laws of the State of California.

Section 14.9 Severability. Nothing contained herein shall be construed as to require the commission of any act contrary to law, and wherever there is any conflict between any provision contained herein and any present statute, law, ordinance or regulation as to which the Parties have no legal right to contract, the latter shall prevail, but the affected provisions of this Agreement shall be limited only to the extent necessary to bring them within the requirements of such law.

Section 14.10 Separate Counterparts. This Agreement may be executed in separate counterparts, each of which when so executed shall be deemed to be an original. Such counterparts shall, together, constitute and be one and the same instrument.

Section 14.11 Captions, Number and Gender. The captions appearing at the commencement of the paragraphs, subparagraphs and sections hereof are descriptive only and for convenience in reference. Should there be any conflict between any such caption and the article, section or subsection at the head of which it appears, the article, section or subsection and not the caption shall control and govern the construction of this Agreement. In this Agreement, the masculine, feminine or neuter gender and the singular or plural number shall each be deemed to include the others whenever the context so requires.

Section 14.12 Further Action. Each party hereto promptly shall duly execute and deliver such papers, documents and instruments and perform all acts reasonably necessary or proper to carry out and effectuate the terms of this Agreement.

Section 14.13 Survival. All terms and conditions in this Agreement, which represent continuing obligations and duties of the Parties, that have not been satisfied prior to Close of Escrow shall survive Close of Escrow and transfer of title to Optionee and shall continue to be binding on the respective obligated party in accordance with its terms, except if there is a contradiction between the Property Acquisition Agreement and this Agreement, in which case the Property Acquisition Agreement shall control.

Section 14.14 Facsimile Signatures. Facsimile signatures shall not be accepted unless prior agreement is obtained in writing by both Parties. If agreed that facsimile signatures are acceptable, they will be treated as original signatures; however, in no instance shall facsimile signatures be accepted on any document to be recorded. Such documents must bear original signatures.

Section 14.15 Exhibits. The following Exhibits are attached to this Agreement and incorporated by reference herein.

Exhibit A. Form of [Warranty/Grant] Deed

Exhibit B: Property Description

Exhibit C: Property Acquisition Agreement

Exhibit D: Quitclaim Deed

Exhibit E: Siting Agreement

Exhibit F: Certification of Purchase Price

Exhibit G: Identification of Property Investigations, Studies and Documents

IN WITNESS WHEREOF, the PARTIES have executed this Agreement.

OPTIONOR

COUNTY OF _____
a political subdivision of the State of California

By: _____
Name: _____
Its: _____

Date: _____

OPTIONEE

DEPARTMENT OF CORRECTIONS AND
REHABILITATION

By: _____
Name: _____
Its: _____

Date: _____

AUTHORIZED

STATE PUBLIC WORKS BOARD
OF THE STATE OF CALIFORNIA

By: _____
Name: Christopher Lief
Its: Assistant Administrative Secretary

Date: _____

This Agreement authorized at the [Date of Board meeting] State Public Works Board meeting, and this Agreement is effective as of this date.

APPROVED

DEPARTMENT OF GENERAL SERVICES

By: _____
Name: Jim Martin, Chief
Its: Real Property Services Section

Date: _____

EXHIBIT A

Form of [Warranty/Grant] Deed

[PREPARE FORM OF DEED.]

EXHIBIT B

“Description of Property”

All that certain real property situated in the County of _____, State of California, described as follows:

EXHIBIT C

Form of Property Acquisition Agreement

EXHIBIT D
QUITCLAIM DEED

RECORDING REQUESTED BY

[Attorney Name]

WHEN RECORDED MAIL TO:

NAME: [Attorney Name]

MAILING
ADDRESS:

CITY, STATE
ZIP CODE:

SPACE ABOVE THIS LINE RESERVED FOR RECORDER'S USE

OFFICIAL STATE BUSINESS—EXEMPT FROM
RECORDING FEES PURSUANT TO GOV'T CODE
SECTION 27383 AND DOCUMENTARY TRANSFER
TAX PURSUANT TO REVENUE AND TAXATION
CODE SECTION 11922

QUITCLAIM DEED

For valuable consideration, the receipt and adequacy of which are hereby acknowledged, The State of California, on behalf of The Department of Corrections and Rehabilitation, hereby quitclaims, surrenders, and releases to County of _____, all of its interest in that certain real property located in _____ County, State of California, described in attached Exhibit A and incorporated herein by reference. This quitclaim deed is given and accepted for the purpose of terminating all and any rights to purchase or use any of the real property described in Exhibit A as may previously have been made in that Irrevocable Option Agreement for Purchase of Real Property and Escrow Instructions dated _____, 200_ by and between the County of _____, as Optionor and The Department of Corrections and Rehabilitation of the State of California, as Optionee, of which a Memorandum of Option was recorded in the Official Records of _____ County on _____, 200_ as instrument no. _____. This Quitclaim Deed does not terminate or extinguish any rights or obligations intended to survive the termination of the Option Agreement as expressly provided therein.

Dated: _____, 200__.

By
Name
Title

State of California)
)
County of _____)

On _____ before me, _____, a Notary Public in and for said State, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Notary Seal)

EXHIBIT E
Siting Agreement

EXHIBIT F

CERTIFICATION OF PURCHASE PRICE

Pursuant to the provisions in the Irrevocable Option Agreement to Purchase and Sell Real Property and Escrow Instruction between _____ County, as Optionor, and California Department of Corrections and Rehabilitation, as Optionee, the parties certify that the purchase price is _____ and 00/100 Dollar (\$_____).

IN WITNESS WHEREOF, the PARTIES have executed this Agreement.

OPTIONOR

County of _____

By: _____

Date: _____

Name: _____

Its: _____

OPTIONEE

California Department of Corrections and Rehabilitation

By: _____

Date: _____

DEBORAH HYSEN, Chief Deputy Secretary
Facility, Planning, Construction & Management

APPROVED

STATE PUBLIC WORKS BOARD
OF THE STATE OF CALIFORNIA

By: _____

CHRISTOPHER LIEF
Assistant Administrative Secretary

Date: _____

APPROVED
DEPARTMENT OF GENERAL SERVICES
OF THE STATE OF CALIFORNIA

By: _____
JIM MARTIN, Chief

Real Property Services Section

EXHIBIT G

Identification of Property Investigations, Studies, and Documents

Exhibit G-1

Table of Contents

Page

ARTICLE I DEFINITIONS

Section 1.1	Definitions.....	2
-------------	------------------	---

ARTICLE II EFFECTIVE DATE

Section 2.1	Effective Date of Agreement	6
-------------	-----------------------------------	---

ARTICLE III GRANT OF OPTION

Section 3.1	Option	7
-------------	--------------	---

ARTICLE IV OPTION TERMS

Section 4.1	Term of Option	7
Section 4.2	Recordation of Agreement	7
Section 4.3	Option Title Policy; Escrow.....	7
Section 4.3	Option Title Policy; Escrow.....	8
Section 4.4	Purchase Price	8
Section 4.4	Purchase Price	8
Section 4.5	Exercise of Option	9

ARTICLE V EXECUTION OF PROPERTY ACQUISITION AGREEMENT

Section 5.1	Execution of Property Acquisition Agreement.....	10
Section 5.2	Effect of Failure to Execute Property Acquisition Agreement.....	10

ARTICLE VI REPRESENTATIONS AND WARRANTIES

Section 6.1	Representations and Warranties Regarding Optionor's Authority	10
Section 6.2	Representations and Warranties Pertaining to Real Estate and Legal Matters	11
Section 6.3	Warranties, Representations and Covenants Regarding Operation of the Property Through Close of Escrow.	12
Section 6.4	Representations Pertaining to Additional Documents	13
Section 6.5	General Representation	13
Section 6.6	Optionee's Representations and Warranties	13

ARTICLE VII DUE DILIGENCE REVIEW

Section 7.1	Site Investigation, Access to Property, CEQA, and Other Support.....	13
-------------	--	----

Table of Contents
(continued)

	<u>Page</u>
Section 7.2 Removal of Due Diligence Contingency; Termination	15
Section 7.3 Optionor's Right to Cure	15
 ARTICLE VIII STATUS OF TITLE; PURCHASER'S TITLE INSURANCE	
Section 8.1 Title Documents	15
Section 8.2 Title Review	15
Section 8.3 Purchaser's Title Policy	16
 ARTICLE IX CONDEMNATION; DAMAGE AND DESTRUCTION	
Section 9.1 Condemnation	16
Section 9.2 Effect of Damage or Destruction	17
 ARTICLE X INDEMNIFICATION	
Section 10.1 Indemnification	17
 ARTICLE XI REMEDIES	
Section 11.1 Remedies	17
 ARTICLE XII NOTICES	
Section 12.1 Notices	17
 ARTICLE XIII REAL ESTATE COMMISSION	
Section 13.1 No Real Estate Commission	19
 ARTICLE XIV MISCELLANEOUS	
Section 14.1 Entire Agreement	19
Section 14.2 Assignment	19
Section 14.3 Attorneys' Fees	19
Section 14.4 Calculation of Time	19
Section 14.5 Time of Essence	19
Section 14.6 Waiver	20
Section 14.7 Amendments	20
Section 14.8 Applicable Law	20
Section 14.9 Severability	20

Table of Contents
(continued)

	<u>Page</u>
Section 14.10 Separate Counterparts	20
Section 14.11 Captions, Number and Gender.....	20
Section 14.12 Further Action	20
Section 14.13 Survival	20
Section 14.14 Facsimile Signatures	20
Section 14.15 Exhibits	21

End of TOC - Do not delete this paragraph!

EXHIBITS

Exhibit A – Form of [Warranty/Grant Deed].....	Exhibit A-1
Exhibit B – Property Description.....	Exhibit B-1
Exhibit C – Property Acquisition Agreement.....	Exhibit C-1
Exhibit D – Quitclaim Deed.....	Exhibit D-1
Exhibit E – Siting Agreement	Exhibit E-1
Exhibit F – Certificate of Purchase Price	Exhibit F-1
Exhibit G –Identification of Property Investigations, Studies and Documents	Exhibit G-1